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Message Text

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43
ACTION NEA-10

INFO OCT-01 ISO-00 AID-05 IGA-02 EB-07 /025 W
---------- 056242
R 161535Z DEC 75
FM AMEMBASSY CAIRO
TO SECSTATE WASHDC 8611
INFO USDOC WASHDC

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DEPT PASS AID

E.O. 11652: NA
TAGS: BPRO
SUBJECT: POLYESTER FIBER PROJECT- CHEMTEX-DUPONT PROPOSAL

REF: CAIRO 12465

1. ON DECMEBER 16, 1975, ENGLISH LANGUAGE NEWSPAPER, EGYPTIAN GAZETTE, REPORTING ON JOINT COMMUNIQUE ISSUED AT END OF VISIT BY FRENCH PRESIDENT GISCARD D'ESTAING, INDICATED THAT THE SELECTION OF FRENCH FIRM HAD BEEN MADE FOR THE ESTABLISHMENT OF THE POLYSTER FIBRE FACTORY.

2. WE IMMEDIATELY QUERIED BY TELEPHONE GOFI DEPUTY CHARIMAN ENGR. HASSAN FATTAH IBRAHIM REGARDING STATUS GOE DECISION ON SUBJECT PROJECT. IBRAHIM STATED DECISION HAD BEEN MADE IN FAVOR FRENCH FIRM RHONE POULENC. IBRAHIM WAS ASKED IF PRIMINS OFFICE HAD PARTICIPATED IN DECISION. HE STATED THAT GOFI BOARD CHAIRMAN (MININDUSTRY SHAHIN) HAD MADE DECISION SOME 10 DAYS AGO. (COMMENT: DECISION TIMING CORRESPONDS TO DECEMBER 7 MEETINGS REPORTED REFTEL.)

3. CHEMTEX REP THOMAS MCGANNON INFORMED OF ABOVE. HE HAS TELEXED HOME OFFICE STATUS PROJECT AND IS AWAITING INSTTUCTIONS RE FURTHER ACTION.
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4. AS OF DECEMBER 12, CHEMTEX REP ADVISED
US THAT HE HAD HEARD TWO CONFLICTING REPORTS: ONE
THAT GOFI HAD ISSUED A LETTER OF INTENT TO THE FRENCH
WITHOUT FIRST REVIEWING DECISION WITH PRIMIN; SECOND
THAT MATTER WAS ON PRIMIN'S DESK FOR HIS DECISION.
WHICHEVER IT WAS, DECISION SEEMS NOW TO HAVE BEEN
MADE. THERE IS NO INDICATION, HWEVER, THAT CONTRACT HAS ACTUALLY
BEEN SIGNED OR WHEN IT WILL BE.

5. COMMENT:ALTHOUGH THERE SEEMS TO HAVE BEEN SOME
QUESTION ABOUT RESPECTIVE MERITS OF COMPARATIVE
TECHNOLOGIES INVOLVED, AT LEAST SO EGYPTIANS CLAIMED,
IT IS DIFFICULT TO ESCAPTE THE CONCLUSION THAT DECISION WAS
AT LEAST PARTLY POLITICALLY MOTIVATED IN VIEW FRENCH
PRESIDENT'S UPCOMING VISIT. WE DID ALL WE COULD TO
PRESS FOR DECISION BASED ON MERIT OF PROPOSALS, BUT
THE DIE WAS CAST. CHEMTEX REPS ARE BITTER ABOUT WHAT
THEY CONSIER LACK OF CANDOR AND VERACITY IN EGYPTIAN
HANDLING OF MATTER, UP TO AND INCLUDING MINISTERIAL
LEVEL (READ SHAHIN). ON ITS PART, CHEMTEX-DUPONT
MAY NOT ALWAYS HAVE EMPLOYED THE BEST TACTICS. FEW DAYS
AGO FAHMY, FOR EXAMPLE, COMPLAINED ABOUT CHEMTEX
LOWERING ITS BID PRICE BY 24 PERCENT WHEN TOLD OF
FRENCH PRICE AND THE ABILITY TO MAKE SUCH A SIZEABLE
REDUCTION OVBIOUSLY AROUSED EGYPTIAN SUSPICIONS. EGYPTIANS WILL,
OF COURSE, CONTEND DECISION MADE ON TECHNICAL MERITS OF
FRENCH PROPOSAL.

6. CHEMTEX-DUPONT HAVE AGAIN SENT COMMERCIAL TELEGRAM
EXPRESSING APPRECIATION FOR EMBASSY'S EFFORTS ON THEIR BEHALF.
EILTS

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Draft Date: 16 DEC 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ShawDG
Disposition Case Number: n/a
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Disposition Date: 28 MAY 2004
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Disposition History: n/a
Disposition Reason:
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